
The Symbolic Politics of Strategic Narratives: the Case of the BRICS New Development Bank

Carolijn Van Noort

Abstract:

South-South Cooperation requires various variables to create sustainable development. One of the key variables is the access of capital to finance cooperation on issues such as agriculture, natural resources and the transfer of knowledge to benefit capacity building. BRICS is a multilateral organization consisting of five states and is equally interested in the advancement of this collaboration. Overcoming a narrative of exclusion advanced by the center-periphery divide in international affairs, South-South Cooperation aims to create structures of mutual gain. The BRICS joint objective is the reform of the global financial order to enhance their rights and their representation in global financial institutions. This article uses the theoretical concept of Strategic Narratives by Miskimmon *et al* to identify and evaluate system narratives. System narratives are storylines which provide an interpretative framework of international affairs. The system narrative on the global financial order projected by the BRICS is shaped through a reform discourse on the one hand, and an alternative discourse on the other hand. The latter is illustrated through the New Development Bank; a BRICS initiative that addresses the financial needs of the South. South-South Cooperation has strong symbolic value and the New Development Bank aims for an equal interpretation of solidarity, democracy and transparency. To advance this argument, this paper discusses the symbolic politics of strategic narratives, specifically the system narrative of global financial order projected by BRICS through the New Development Bank initiative. It draws on a narrative analysis of semi-structured interviews conducted in Brazil with various non-state actors including civil society, major Brazilian energy and construction companies and scholars. The analysis offered three key interpretations: 1) The New Development Bank has great symbolic value which is coherent with BRICS' system narrative of global financial reform, but of a lesser extent instrumentally due to its available resources; 2) The New Development Bank has great symbolic value which is coherent with BRICS system narrative of reform as well as instrumentally important to address key issues of South-South concern; and 3) The New Development Bank has no strong symbolic value due to the sense of 'Northern' institutional behavior to address South-South

Collaboration, but is instrumentally a possible useful source for collaboration in the field of natural resources. It is argued that positive reception towards South-South Collaboration is important to foster sustainable partnerships. The strategic communication of these thematic development trajectories is vital to its success. The analysis shows that the symbolic politics of strategic narratives can both enable and constrain the impact of South-South Cooperation. The article demonstrates the incoherent symbolic perception of the BRICS New Development Bank. It is recommended to improve the production and projection of system narratives on global financial order by the BRICS to benefit South-South Cooperation.

Introduction:

South-South Cooperation (SSC) requires various variables to create sustainable development. One of the key variables is the access of capital to finance cooperation on issues such as agriculture, natural resources and the transfer of knowledge to benefit capacity building. BRICS is a multilateral organization consisting of five states and is equally interested in the advancement of this cooperation: 'We are committed to further strengthening and supporting South-South cooperation' (Ufa Declaration). Overcoming a narrative of exclusion advanced by the center-periphery divide in international affairs, South-South Cooperation aims to create structures of mutual gain (Quadir). The joint objectives for a reformed global economy of the BRICS are: 'Structural reforms, domestic adjustment and promotion of innovation...' (Ufa Declaration).

This article uses the theoretical concept of Strategic Narratives by Miskimmon *et al* to identify and evaluate system narratives. Strategic narratives are '... representations of a sequence of events and identities, a communicative tool through which political actors-usually elites- attempt to give determined meaning to past, present, and future in order to achieve political objectives' (Miskimmon, p. 5)' and system narratives are storylines which provide an interpretative framework of the structure of international affairs (Miskimmon, p. 7). The system narrative on the global financial order projected by the BRICS is shaped through a reform discourse on the one hand, and an alternative discourse

on the other hand. The former is visible in BRICS aspiration for global financial reform of the Bretton Woods Institutions. The latter is illustrated through the New Development Bank; a BRICS initiative that addresses the financial needs of the South (MOU New Development Bank). South-South Cooperation has strong symbolic value and the New Development Bank aims for an equal interpretation of solidarity, democracy and transparency (Hampson et al). The concept of symbolic politics is used because: 'The magical associations permeating language are important for political behaviour because they lend authoritativeness to conventional perceptions and value premises and make it difficult or impossible to perceive alternative possibilities.' (Edelman, 1985, p. 121). Symbolic politics is juxtaposed with measures that have instrumental value. The latter relates to its applicability.

To advance this analysis, this paper discusses the symbolic politics of strategic narratives, specifically the system narrative of global financial order projected by BRICS through the New Development Bank initiative. It draws on a narrative analysis of semi-structured interviews conducted in Brazil with various non-state actors including civil society, major Brazilian energy and construction companies and the academic community (full analysis and details of interviewees to be included in doctorate thesis). The interviewees were all concerned with the development of Brazil in the international order. In line with ethics procedure, their consent was elicited to use the content expressed in these interviews to benefit my doctoral research endeavors. The analysis illustrated the incoherent perception of the BRICS, while also presenting on various points oppositional views.

The analysis offered three key interpretations: 1) The New Development Bank has great symbolic value which is coherent with BRICS' system narrative of global financial reform, but of a lesser extent instrumentally due to its available resources; 2) The New Development Bank has great symbolic value which is coherent with BRICS system narrative of reform as well as instrumentally important to address key issues of South-South concern; and 3) The New Development Bank has no strong symbolic value due to the sense of 'Northern' institutional behavior to address South-South Cooperation, but is instrumentally a possible useful source for collaboration in the field of natural resources.

It is argued that positive reception towards South-South Cooperation is important to foster sustainable partnerships. The article is structured in a fashion that it identifies and evaluates each interpretation at length. And finally, the paper offers a few deliberations and

conclusions regarding the positive use of symbolic politics and strategic narratives to benefit the development of South-South Cooperation.

Strong symbolic value, but instrumentally weak—

This part explores the first key finding of the field research conducted in Brazil in 2016 and states that BRICS system narrative on the global financial order represented through its New Development Bank initiative is symbolically strong, but instrumentally weak. This argument is expressed by various key non-state actors, engaged with the advancement of Brazil in the international order. The following analysis discusses this interpretation.

In terms of symbolic politics, it could be argued that BRICS have strong symbolic value. However, could we talk of a BRICS 'dream'? A dream suggests a symbolic strong message that guides development and interaction. For example, the American dream offers a future based on prosperity and freedom (Cullen) and the Chinese dream presents the idea of national rejuvenation (Wang). Is there an equally strong BRICS dream presented (Wilson)? The aim to create 2025 BRICS Anniversary objectives (The BRICS Handover Report) is a clear example of long-term engagement by its stakeholders. As interviewees emphasized the symbolic strength over instrumental mechanism and results, the concept is indeed a 'dream' that people want to 'come true'.

To expand on this idea, BRICS system narrative on the global financial order is aimed at reform of the existing order. It aims for reform, rather than clear upheaval of the order through revolutionary interventions (Kahler). The symbolic value of the system narrative on global financial order projected by the BRICS New Development Bank is arguably strong. Proposing a new development bank implies a clear dissatisfaction with the current global financial institutions. The alternative bank is one to complement the existing structure, while offering new access to capital with different conditions (MOU New Development Bank). The latter demonstrates the political willpower to institutionalize aspirations. The New Development Bank is a strong symbol, as it illustrates the ability to act upon South-South Cooperation visions. While SSC is based on many more variables than financial assistance alone (de Renzio and Seifert), it is key to many cooperation endeavors.

As various interviewees have recognized the symbolic value of the New Development Bank in favor for global financial reform; various people were hesitant about its instrumental impact. Parties were concerned with the actual impact on development, due to the limited

resources of the bank. In terms of soft power strength: 'Soft power relies on authenticity and trust: what countries actually do, not what they say' (Wilton Park, p. 2). Furthermore, the establishing of the Asian Infrastructure Investment Bank (AIIB) seems to take the spotlight away from the BRICS New Development Bank and therefore weakens its instrumental expectations. People emphasized the leadership of the Chinese in the AIIB, which could arguably weaken the political willpower to develop the New Development Bank. While these interpretations are based on speculations, it can be argued that they shape the actual impact of the bank.

Furthermore, the idea of 'pretense' was expressed during various interviews. The BRICS New Development Bank aims to pretend to be a force of change, while in reality it hides the organizational complexities and struggles. The sentiment for recognition in international affairs comes with projects that are potentially too large and too complex to operate in the long term. Without making this sound like an argument in favor of banking by advanced countries, the operation and management of a joint bank requires a lot of expertise, sustainable engagement and capital resources. Doubts have been expressed in favor of the feasibility to operate a bank. There are fears and presumptions that the bank is a primarily Chinese led initiative in disguise. Chinese disproportional available resources supported the choice for NDB's headquarters in Shanghai. Although most of the interviewees agreed on that pragmatic motivation, it did not moderate the perspective on Chinese dominance for some of the interview participants.

A last argument that favors its symbolic value, but a low reliability of its mechanism is the constant reference to the BNDES (Brazilian Development Bank). The critique is targeted to its non-transparency. If human resources of the BNDES support the NDB's endeavors, interviewees argued for the duplication of unsustainable practices. Having stated this first interpretation, the following perspective is positive on both symbolic and instrumental values of the NDB.

Strong symbolic value as well as instrumental impact—

The following part discusses the argument that is most positive about the BRICS New Development Bank. It is closely related to BRICS enthusiasts that celebrate the impact on the global financial order in terms of reform propositions as well as the ability to present alternative financial mechanisms that present new access to capital to finance projects advanced by the South. As the New Development Bank is in its early stages of institutionalization, the argument is based on political

calculation and speculation. However, as is argued in this paper, the symbolic strength of system narratives might enable the development process just as much as material conditions do. If people believe in the long term vision, one is more inclined to make all the effort that is necessary to realize its objectives. Imagination is key to success: 'A narrative approach assumes that tellings of strategy fundamentally influence strategic choice and action, often in unconscious ways' (Barry and Elmes). Especially in the case of South-South Cooperation, where states are culturally, politically and geographically dispersed, a common imagined goal is preferable.

Enthusiasts or optimists perceive the New Development Bank from a symbolic point of view as politically strong. BRICS narrative on the global financial order has a strong symbolic impact as it clearly 'tells' the world that the current institutions are only fulfilling the needs of 'some'. Furthermore, the NDB initiative makes sense as the BRICS identity is based on its emerging economic status (van Noort). And in addition, the NDB is a symbolic response to the economic crisis that brought the five states together. It visualizes the dissatisfaction of these five countries with the current structure. While they were significantly impacted by the repercussions of the crisis, they have disproportional power to restructure the financial system. The NDB initiative brings power in the hands of these five member states. Each member has an equal share, which relates to the aspiration for democratic governing. Furthermore, their joint efforts to launch a development bank offer the international arena a strong image of South-South Cooperation. It illustrates the joint political willpower, the available resources and the long-term strategic thinking.

In addition, this perspective argues in favor of the instrumental impact it will have on the global financial order. The BRICS New Development Bank is arguably a strong conceptual framework as well as a force of change. It does acknowledge the difficulties and challenges for its success, but it approaches it from an opportunistic approach. South-South Cooperation is in that sense more than just a trending topic in international affairs; it is a clear opportunity for mutual gain. The preferred global financial order should have crediting options for the South's concerns.

The New Development Bank is generally perceived as a mechanism to address infrastructure projects. The official document states that the NDB aims to: '... serve as a powerful instrument for financing infrastructure investment and sustainable development projects in the BRICS and other developing countries and emerging market economies and for enhancing economic

cooperation between our countries' (Ufa Declaration, Nr. 15). A presentation on the New Development Bank by Vice-President Paulo Batista (Centro Celso Furtado) described the focus of the bank on renewable energy projects. These are projects in the field of solar, hydroelectric power and wind energy. These industries need significant financial support for its research and development as well as for its project implementation. The NDB supports both symbolic values as well as instrumental motivation to foster BRICS narrative of a global financial order.

Weak symbolic value, but instrumentally strong— The third key finding is based on a weak symbolic interpretation of the system narrative on the global financial order, but a clear understanding of the instrumental effectiveness of the New Development Bank's operation. The perceived weakness is based on the non-state actors' expectations of the New Development Bank. The perception of symbolic politics provides insights in the impact of the BRICS grouping.

The BRICS New Development Bank aims to operate according to the principle of transparency, accountability and democracy (Ufa Declaration). This de-emphasizes the importance of state actors in the process of its institutionalization. With respect to these strong symbolic principles, it can be argued that they are less visible in the project selection. The year 2016 is the time where the first projects of BRICS New Development Bank are selected. This process remains outside the involvement and inclusion of interested non-state actors. In that sense, the symbolic value of the system narrative on the global financial order is weak. It does not 'practice what it preaches'.

Another reason for its symbolic weakness is the bank's organizational resemblance to the Western institutions. Although the conditionality of the loans are drafted in 2016 (and not finished before completion of this article), the bank follows a capitalist approach (Bond). Despite strong sentiment against the disproportional power of Western countries in global governing bodies, the BRICS New Development Bank is not significantly stepping away from these principles. The 'new' in New Development Bank represents the additional development bank to the global financial order. 'New' should arguably not be considered as a significant different way of practicing crediting and banking.

Despite the controversies with respected symbolic values; it could be argued that the New Development Bank is instrumentally strong. Practically speaking, it does offer the South a new possibility to finance their

development endeavors. Despite symbolic complexities, it offers a new instrument to foster South-South Cooperation. This argument was equally expressed by Brazilian business, civil society and academics alike. Therefore, the BRICS New Development Bank is of instrumental importance. If it provides funding for issues or projects that benefit the Global South, it could be considered as a step in the right direction.

Incoherent symbolic perception-

The strategic communication of the narrative on global financial order is vital to its success. The analysis shows that the symbolic politics of strategic narratives can both enable and constrain the impact of South-South Collaboration. If the symbolic value of the system narrative is strong, but the instrumental imagination is weak, the narrative is less powerful. Even so, if the symbolic value is weak but the mechanism is perceived instrumentally beneficial, the joint initiative can only 'go so far'. The article demonstrates the relatively small support for key interpretation two, where both symbolic and instrumental values are considered to be strong. A reason for this finding is arguably the exclusion of state officials in the interview methodology. The closer the engagement of the individual and the dependency of the initiative's success, the more opportunistic the response might be. However, as South-South Cooperation is dependent on both state and non-state actors, it sheds a more holistic interpretation of the state-crafted system narrative on global financing.

The article demonstrates the incoherent symbolic perception of the BRICS New Development Bank. It is recommended to improve the production and projection of system narratives on global financial order by the BRICS to benefit South-South Cooperation. Production involves 'Beyond goals, political actors can use different types of communication in the construction of strategic narratives, including persuasion, argument, and representational force' (Miskimmon, p. 8) Projection addresses the communication processes in the complex communication landscape (Miskimmon, p. 10). This recommendation is aimed at more reliable and credible strategic communication that is supported by material conditions. The concept of smart power is applicable here: 'Smart power is the combination of soft and hard power. Soft power is the ability to obtain preferred outcomes through attraction rather than coercion or payments' (Nye, p.7). The responsible players would be the states who are involved in the South-South Cooperation. Due to their reach and engagement, they are able to draft and project a

comprehensive narrative. The involvement of the state to take ownership in this process is questioned by the participants in Brazil due to their unstable political situation. The Brazilian government is experiencing trust relations and internal challenges, including that of the requested impeachment of President Dilma Rousseff (Vita). It is speculated that the next elections in Brazil will bring a new political 'wind'. A different government might significantly alter the course in foreign policy, including that towards South-South Cooperation. This interpretation significantly diminishes the strength of the BRICS symbol as much as the faith in South-South Cooperation.

Conclusion:

While South-South Cooperation is obviously more than access to capital alone; the BRICS acronym is a well-recognized symbol from the South. It provides a solid intangible good to accommodate and facilitate South-South endeavors. This article does not aim to discredit the endeavors by the South, on the contrary. It takes a pragmatic understanding towards the system narrative on global financing that BRICS projects. In that sense, it is possible to reshape and structure storylines to accommodate the events that are occurring both in Brazil as well in interaction with the world.

The monitoring and evaluation of South-South Cooperation is important for drawing lessons on past policies and to improve future frameworks. It could be argued that the evaluation of symbolic politics is arguably biased due to the interests of the interviewees. The semi-structured interviews that I conducted for this research demonstrated this argument. Perception of symbols and narratives can be distorted to benefit the preconceived ideas and beliefs. Furthermore, it could be argued that the economic downturn increases motivation for an effective development bank. Therefore, the perception of symbolic politics is constrained by the disposition of the interviewees. This article therefore does not aspire to establish generalizations. However, the evaluation of South-South Cooperation through the analysis of symbolic politics and system narratives offers a more contested interpretation. As a personal note, it could be argued that acknowledgement of incoherent symbolic interpretations is the first step to constructively address strategic communication of South-South Cooperation.

Bibliography:

Abdenur, Adriana Erthal. "China and the BRICS Development Bank: legitimacy and multilateralism in South-South cooperation." *IDS Bulletin* 45.4 (2014): 85-101.

Barry, David, and Michael Elmes. "Strategy retold: Toward a narrative view of strategic discourse." *Academy of management review* 22.2 (1997): 429-452.

Bond, Patrick, and Ana Garcia, eds. *BRICS: An anti-capitalist critique*. 2015.

BRICS. "Memorandum of Understanding on Cooperation with the New Development Bank." *BRICS Information Centre: University of Toronto* July 2015. Web. Dec 2015.

BRICS. "The BRICS Handover Report: 2015-2016." *Brics2015* 2016 Web. Feb 2016.

BRICS. "Ufa Declaration." *BRICS Information Centre: University of Toronto*. July 2015. Web. Dec 2015.

Centro Celso Furtado. "Video: O papel do Novo Banco de Desenvolvimento estabelecido pelos BRICS." *Centro Celso Furtado*. Jan 2016. Web. Jan 2016.

Cullen, Jim. *The American dream: A short history of an idea that shaped a nation*. Oxford University Press, USA, 2004.

de Renzio, Paolo, and Jurek Seifert. "South-South cooperation and the future of development assistance: mapping actors and options." *Third World Quarterly* 35.10 (2014): 1860-1875.

Edelman, Murray Jacob. *The symbolic uses of politics*. University of Illinois Press, 1985.

Fisher, Walter R. *Human communication as narration: toward a philosophy of reason, value, and action*. Columbia, S.C.: University of South Carolina Press, 1989. Print.

Gordon, Gretchen and Deepika Padmanabhan. "A New model for BRICS' New Development Bank." *Third World Network*. Aug 2015. Web. Jan 2016.

Hampson, Fen Osler, and Paul Heinbecker. "The "New" multilateralism of the twenty-first century." *Global Governance* 17.3 (2011): 299-310.

International Monetary Fund. "IMF Members' Quotas and Voting Power, and IMF Board of Governors." *IMF*. Jan 2016. Web. 2016. Feb 2016.

Kahler, Miles. "Rising powers and global governance: negotiating change in a resilient status quo." *International Affairs* 89.3 (2013): 711-729.

Miskimmon, Alister. (2014). *Strategic Narratives Communication Power and the New World Order*. In B. O'Loughlin & L. Roselle (Eds.). Hoboken: Taylor and Francis.

Nye, Joseph S. "Smart power." *New Perspectives Quarterly* 26.2 (2009): 7-9.

Quadri, Fahimul. "Rising Donors and the New Narrative of 'South-South' Cooperation: what prospects for changing the landscape of development assistance programmes?." *Third World Quarterly* 34.2 (2013): 321-338.

Singh, Suresh P., and Memory Dube. "BRICS and the World Order: A Beginner's Guide." *Available at SSRN* 2443652 (2014).

Van Noort, Carolijn. "Constructing a New World Order through a Narrative of Infrastructural Development: The Case of the BRICS." *World Academy of Science, Engineering and Technology, International Journal of Social, Behavioral, Educational, Economic, Business and Industrial Engineering* 10.2: 208-213.

Vita, Stephen. "3 Economic challenges Brazil faces in 2016." *Investopedia*. Dec 2015. Web. Feb 2016.

Wang, Zheng. "The Chinese dream: concept and context." *Journal of Chinese Political Science* 19.1 (2014): 1-13.

Wilson, Dominic, and Roopa Purushothaman. *Dreaming with BRICs: The path to 2050*. Vol. 99. Goldman, Sachs & Company, 2003.

Wilton Park. "Maximizing soft power assets: towards prosperity." *Wilton Park*. May 2014. Web. Jan 2016.

(Carolijn van Noort is a PhD Candidate at the University of Otago, Dunedin, New Zealand)